

Office Memorandum • UNITED STATES GOVERNMENT

TO : Acting Director of Security

DATE: 20 October 1955

FROM : E. M. Winters

SUBJECT: HIDALGO, Balmes Nieves Jr.
#65077

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1. This case requires an Enoch Arden decision.
2. The Subject has apparently performed valuable services for the FBI and us. As a result of the service for the FBI in an undercover capacity, he testified for them against eleven leaders of the Communist party.
3. Much as the Subject appears to deserve a position for his services, I do not see how we can accept him as a Staff employee for work in [Panama City, Panama]. The 16-7 publicity about his undercover work has blown his usefulness in operations in [Panama] as he will be a man marked by the Reds from now on. Then, there is some question concerning the reason that he was selected for recruitment by the Communists although this can probably be clarified with Mr. Papich.
4. It is recommended, therefore, that the request for conversion be denied. Presumably there is no objection to Subject's continued use as a contract employee for limited duties after we clarify the question of his recruitment by the Communists.

E. M. Winters
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Enclosure:

File #65, 077 - Hidalgo.

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*Concur - to staff but no
employment objection to contract
employment. PJB*
30 Oct. 55
20 OCT 1955
see my file